1985 units to achieve the levels of energy efficiency being achieved by the post 1985 units?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) and (c) The average energy consumption for urea manufacturing units commissioned sinced 1985 was 6.16 million kilo calories per tonne urea during 1999-2000 as against 8.10 million kilo calories per tonne of urea for pre-1985.

Government policy encourages indigenous urea manufacturers to implement energy reduction measures such as purge gas recovery unit, synthesis converter retrofit, online optimizer and selectoxo process for ammonia plants. the investment made on such energy saving schemes is recognized immediately for fixation of retention price but the benefits accuring on this account are allowed to be retained by the units for three years, after which they are mopped up for pricing purposes.

Disinvestment of Fertilizer PSUs

3417. SHRI NILOTPAL BASU: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that fertilizer availability is a major factor for agricultural production, particularly foodgrains production;

(b) whether it is also a fact that green revolution, which marked a decisive progress of the country towards food security, was based on enhanced indigenous fertilizer production;

(c) whether food security is a strategic national objective and whether the fertilizer industry is a strategic industry; and

(d) if so, whether Government would disinvest in fertilizer PSUs and if not, the reaons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) and (b) Among seven inputs of agricultural production namely seeds, fertilizers, insecticides, pesticides, agricultural implements and machinery, water and technology and its transfer to farmers, fertilizers are one of the important inputs. No study quantifying the role of individual input has been made. The nutritional requirements of plants can be met by use of both organic and inorganic fertilizers, but availability of

right type of fertilizers on time and in adequate quantity have an important role.

(c) and (d) Despite the vital role of fertilizers in agricultural production, fertiliser Industry can not be categorized as a strategic industry.

Based on the recommendations of the Disinvestment Commission, Government have decided to disinvest 51% of its equity in National Fertilizers Limited (NFL) out of its curent holding of 97.65% and 32.74% of its equity in Madras Fertilizers Limited (MFL) out of its current 58.74% holding, through sale to a strategic buyer alongwith transfer of management control. Out of the other four fertilizer public sector companies, namely The Fertilizer and Chemicals Travancore Limited (FACT), Pyrites, Phosphates and Chemicals Limited (PPCL), Paradeep Phosphates Limited (PPL) and Rashtriya Chemicals and Fertilizers Limited (RCF), which have been identified for disinvestment, the decision in the case of FACT and RCF has been deferred, whereas in the case of PPCL and PPL, the process is at an initial stage. The remaining two companies namely, The Fertilizer Corporation of India Limited (FCI) and Hindustan Fertilizer Corporation Limited (HFC) have since been declared sick and therefore there is no proposal to disinvest Government equity in these companies.

Levy of tariffs on fertilizer imports

3418. SHRI C.M. IBRAHIM: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether, in order to offset the loss to the domestic industry, consequent on lifting the quantitative import restrictions on fertilizers as proposed, Government have been considering to impose a levy tariff on fertilizer imports;

(b) if so, what decision, if any has been taken in the matter; and

(c) how it is likely to affect the market prices of different fertilizers?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI RAMESH BAIS): (a) to (c) Urea is the only fertilizer which is under price, movement and distribution control and whose imports are made on Government account. The Quantitative Restrictions (QRs) on urea have to be lifted w.e.f. 1.4.2001. The freeing of QRs, including those on urea, is a commitment India has entered into in an Agreement with USA in December, 1999 following the ruling of the Dispute Settlement Body of the WTO that